

HURRICANE MITCH RECONSTRUCTION UPDATE



**USAID/Nicaragua
Hurricane Mitch
Reconstruction Program**

<i>(U.S. Millions of Dollars)</i>	<i>\$103.6</i>
<i>Public Health</i>	<i>30.6</i>
<i>Economic Reactivation</i>	<i>53.5</i>
<i>Disaster Mitigation</i>	<i>6.6</i>
<i>Education</i>	<i>4.5</i>
<i>Municipal Infrastructure</i>	<i>2.9</i>
<i>Transparency and Accountability</i>	<i>1.0</i>
<i>Food Aid</i>	<i>4.5</i>



Departments of Nicaragua
Affected by Hurricane Mitch

NEW WET COFFEE MILL IMPROVES QUALITY AND PRICES FOR FARMERS

Yalí, Nicaragua—Coffee farmers of the Gorrion Cooperative recently inaugurated a wet processing mill that could provide them a chance to earn higher prices for their coffee. The wet coffee mill not only improves the quality of the coffee but is also environmentally friendly.

The mill in Yalí, in the department of Jinotega, is one of five that are being installed through a USAID-financed project with the Cooperative League of the United States of America (CLUSA). Another mill in San Juan de Rio Coco, in the department of Madriz, has been operating since January. A mill in Las Sabanas in Madriz is finished and two in El Cua, in the department of Jinotega are almost completed. These departments are major coffee growing regions of the country. They are also areas that were heavily affected by Hurricane Mitch in October 1998. Many small farmers lost their coffee crops that year.



A USAID/CLUSA project financed the building of a modern, mechanized wet mill for the coffee farmers of the Gorrion Cooperative in Yalí that has improved the quality of coffee.

In response, USAID through CLUSA, is working to help farmers in Mitch-affected areas recover with a \$7.6 million agricultural and economic reactivation project. The project is targeting approximately 14,000 farmers in the hurricane-affected areas. The USAID/CLUSA project is one of several financed by USAID's \$53.5 million agricultural reactivation component of the Hurricane Mitch Reconstruction Program.

One of the focuses of the USAID/CLUSA project is restoring the quality of Nicaraguan coffee through improved production and processing methods. By improving the quality of coffee, Nicaraguan coffee producers will broaden market opportunities and receive higher prices for their coffee.



Members of the Gorrion Cooperative received \$8 above the international price per hundred-weight for the improved quality of their coffee processed at the new wet mill.

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NEW WET COFFEE MILL IMPROVES QUALITY...

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The 175 members of the Gorrión cooperative, including 15 women, decided to invest in the construction of a modern, wet coffee mill that would process their coffee faster and more effectively. With a \$55,000 loan, financed by USAID, the cooperative members were able to

have their wet mill running in time for this year's coffee harvest. Before, coffee depulping was done manually by each individual producer using crude equipment. The process was slow and time consuming. Often, farmers worked well past midnight processing small amounts of the day's harvest. In addition, poor sorting and insufficient fermentation lowered the quality of the coffee.

The new mill uses water pressure by gravity force and machines to depulp the coffee cherries. The specialized equipment separates and removes the pulp without damaging the grain, which does not always occur in traditional milling. The coffee beans are then sorted by size and weight, with the heavier, high quality grains passing into the fermenting basin. The grains are allowed to ferment for 24 hours, to enhance flavor, and then are immediately washed with running water in long cement canals. The washing again sorts the grains with the denser, higher quality beans sinking to the bottom of the canals while the lighter beans flow on ahead.

The mill also protects the environment by recycling the water in the process and filtering residues that contaminate rivers and streams.

"We already have the proof," says Otoniel Rodriguez, president of the Gorrión Cooperative, referring to the benefits of the new mill, "We have buyers for our coffee and we are getting \$8 above the international price per



A mural at the new wet coffee mill emphasizes the ecological benefits.

hundred-weight for coffee processed at the mill."

With the drastic reduction in world coffee prices this year, the \$8 difference means a lot to small producers like cooperative member Julio Mendoza.

"Prices are low but

we came out a little better with the new mill because the quality of the coffee is higher. We also save time and money by not having to process the coffee ourselves," said Mendoza, who produced 32 hundred-weights of coffee cherries this season on his two and a half acre farm.

Along with improved coffee production and processing techniques, the USAID/CLUSA project provides training in marketing skills. The project is also financing the installation of a mini-laboratory in Yali along with "cupping" training to monitor the quality of coffee processed at the mill.

New market opportunities are already beginning to appear. Recently, on a "coffee cupping" tour of Nicaragua, representatives of the Seattle-based Starbucks Coffee chain and Holland Coffee sampled the Gorrión cooperative's coffee and were impressed with the quality. And that's good news for the coffee farmers in Yali.



Coffee farmers, like Julio Mendoza, save time and money by not having to process the coffee themselves.

Economic Reactivation

USAID's \$53.5 million agricultural program encourages farming methods that will help restore the economic livelihood for approximately 100,000 farmers while protecting the environment. The \$53.5 million economic reactivation program includes rehabilitating and improving farms through crop diversification, community irrigation systems and better farming methods that will increase yields and protect the environment. This includes repairing 1,400 km of rural roads, clearing over 1,200 km of watercourse and training 35,000 small farmers to use environmentally sustainable practices.



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